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1992 AMA SURVEY ON WORKPLACE DRUG TESTING AND DRUG ABUSE POLICIES

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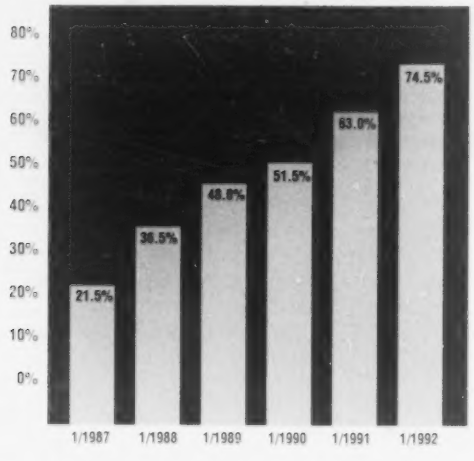
Workplace Drug Testing and Drug Abuse Policies

In 1991 more companies tested more employees and job seekers for controlled or illegal substances, and the data from AMA's sixth annual survey on workplace drug testing and drug abuse policies points to a decline in drug use among both workers and applicants.

Survey findings reveal five years of exponential growth in corporate initiatives that deal with drug abuse. In 1987, fewer than half the surveyed firms sponsored **any** policy or program in this area; as of January 1992, 90 percent of the AMA sample were actively combatting drug use.

Although the overall rise in drug testing has been dramatic (a 250 percent increase since 1987), the greatest change has been in policies that determine who is tested and for what reasons. In 1987 the rule among companies with testing programs was to test employees only when job performance indicated drug abuse. The past five years have witnessed a tenfold increase in the

Workplace Drug Testing, 1987 – 1992



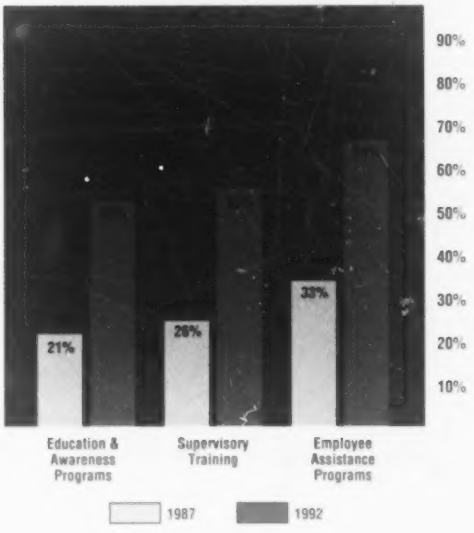
number of companies that subject employees to periodic or random tests. Job applicants, too, are increasingly likely to face a drug test in a pre-employment physical examination. For the first time, more than half of surveyed firms report testing all new hires.

Why the increase? State or local laws, regulations issued by the U.S. Departments of Transportation and Defense, and the practical effects of the Federal Drug-Free Workplace Act are responsible in part. But health-care costs and liability insurance constitute a hidden factor driving testing programs — and their costs — ever upward.

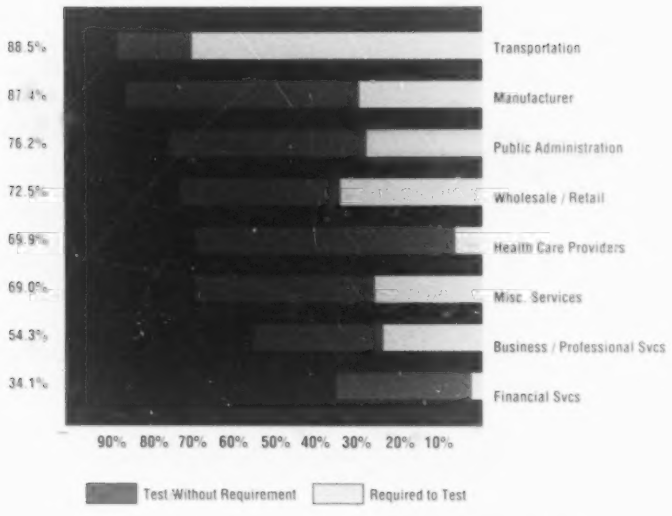
Summary of Key Findings

Other drug-abuse programs have grown, though at a slower pace than testing. The share of firms running education and awareness programs has increased 148 percent since 1987; supervisory training to spot behavior indicating drug use, 115%; and employee assistance programs to counsel and treat abusers, 106%.

Drug Abuse Policies



Effect on Government Regulations

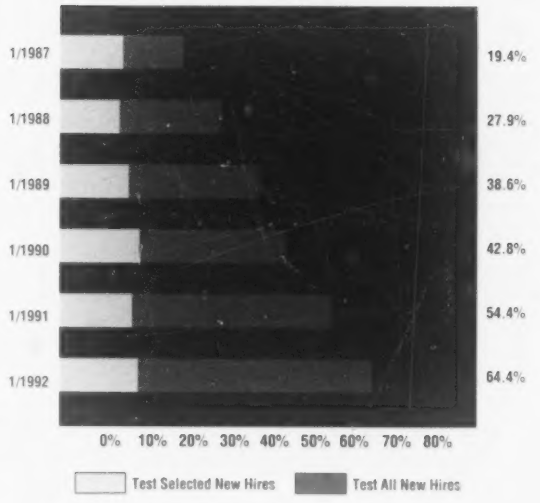


Department of Transportation regulations that require periodic testing in specific job categories compel a majority of transportation firms to test and affect many manufacturers and wholesale and retail traders. Few health care providers must test, but many do; few financial concerns must test, and most don't.

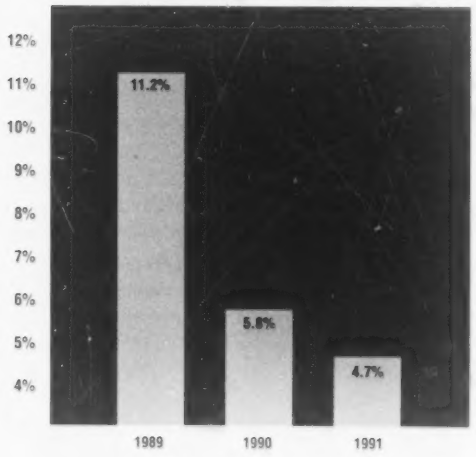
Testing New Hires

Job applicants are increasingly likely to face drug tests in a pre-employment physical exam. Although smaller firms are less likely to test than larger ones (and most American businesses employ fewer than 100 people), the data suggests that one-third of all U.S. job-seekers will be tested in 1992.

Testing Job Applicants, 1987–92



Test Positive Ratios (Job Applicants)



As pre-employment testing becomes the norm, and as more companies explicitly state that applicants will be tested, test-positive ratios among job-seekers has declined.

Pre-employment testing does not provide a histogram of drug use; it can only trace recent use. In effect, such testing is as much behavioral as medical: can the subject "stay straight" while engaged in a job search?

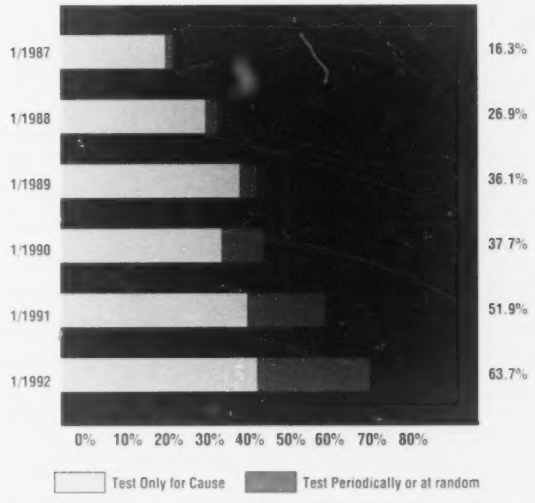
If he or she cannot, 95 percent of firms that test new hires withdraw the job offer, while less than one percent hire test-positive applicants on a probationary basis.

Testing Current Employees

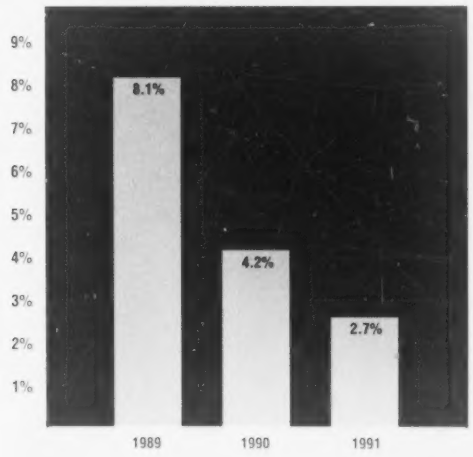
While overall testing of current employees has more than tripled since 1987, periodic or random testing has increased 1000 percent.

Most American workers are not drug users; therefore **the wider the testing pool, the lower the test-positive ratio.** With a lesser percentage of tests administered "for cause" (that is, on suspicion of drug use or after workplace accidents) and a greater number on a random or periodic basis, the test-positive ratio has dropped in each of the past two years.

Testing Current Employees, 1987–92



Test Positive Ratios, Employees



Naturally, a group with identified symptoms of drug abuse (absences, illness, a demonstrable decline in job performance) will score a higher test-positive rate than a group selected at random. In companies that test **only** on suspicion of use, the test-positive rate was one in three; in firms that test only periodically or at random, it was one in two hundred and fifty.

Among firms that tested 25 employees or more (indicating a random or periodic testing policy), the test-positive rate was 2.4%; among those that tested fewer than 25 employees (indicating "for cause" testing only), the rate was 25.2%.

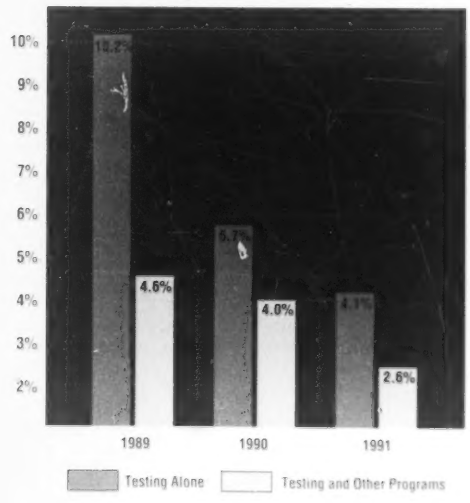
Combatting Workplace Drug Abuse

Drug testing is rarely a standalone policy. Only 6.5 percent of the sample counts on testing alone to deal with drug use among current employees. Nearly four times as many do no employee testing, but rely on education and awareness programs, supervisory training, and/or employee assistance programs to keep the workplace environment drug-free.

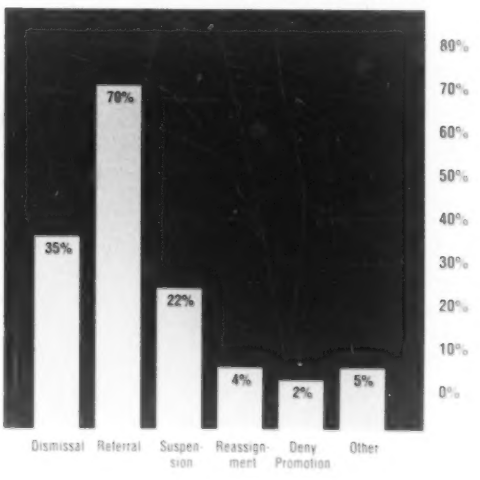
The majority of companies that combine testing with these other initiatives continue to report significantly lower employee test-positive ratios than do companies that rely only on employee testing.

Although one-third of those that test employees list "dismissal" as an action on positive test findings, firing is often a policy of last resort after other options (such as counselling and treatment) have failed.

Test – Positive Ratios by Programs

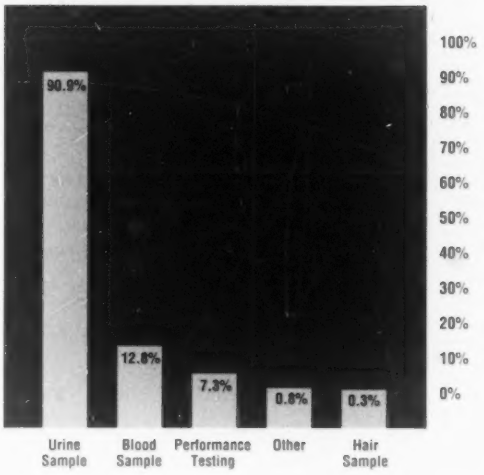


Action on Test – Positive Employees

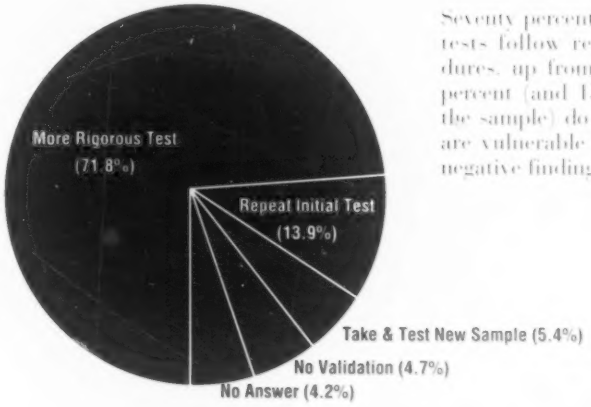


Urine sampling continues to be the preferred method of testing. Performance testing, an alternative to medical testing, confirms that the test subject is capable of performing job tasks at the time those tasks are to be done.

Testing Methods Employed



Validation Policies



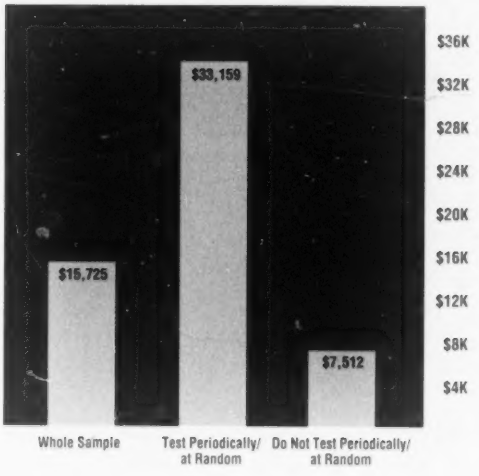
Seventy percent of respondents employing urine tests follow recommended validation procedures, up from 63 percent in 1990. But five percent (and 15% of the smaller companies in the sample) do no validation testing at all, and are vulnerable to both false positive and false negative findings.

Most companies find testing relatively inexpensive, but as programs become more inclusive, costs rise exponentially. Companies that test employees on a random or periodic basis report average costs four times higher than companies that do not.

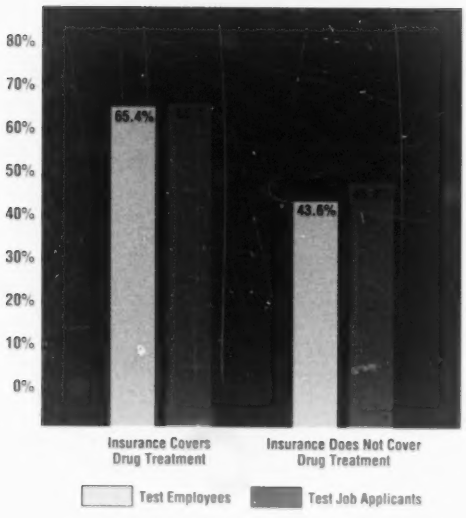
Nineteen respondent firms reported annual costs in excess of $100,000; all of them perform periodic or random tests.[7]

Despite these costs, a scant 7.5 percent of companies that test have attempted a cost-justification study of testing programs. But companies whose expenditures topped the 1991 average of $15,725 were twice as likely to have made such a study as those who spent less.

Average Cost of Testing Programs, 1991



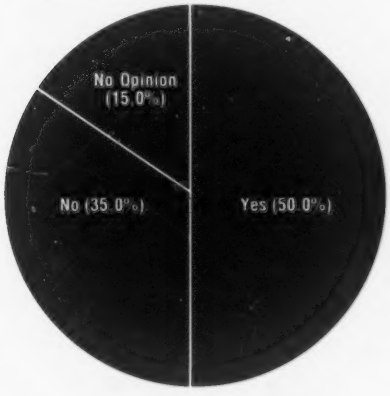
Health Care Coverage and Drug Testing



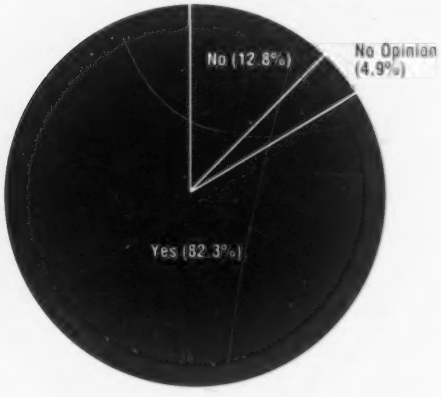
Concerns about health care costs affect testing policies. Companies whose health insurance covers drug treatment are far more likely to test both employees and job applicants: treating employees and refusing employment to identified users will lower health care costs in the long run.

Also, firms that test for drugs can demonstrate "due diligence" in liability cases — all the more important for the 37 percent of the sample whose insurance does not cover accidents caused by drug-impaired workers.

Is Testing Effective? (1987)



Is Testing Effective? (1992)



Workplace testing has proven its worth to most human resources managers in organizations that practice it. Certainly the increase since 1987 in the percentage of practitioners who consider testing an effective way of combatting workplace drug abuse bears testimony to that fact. Moreover, 83 percent of companies that do not test express approval of drug testing.

Nevertheless, the percentage of survey respondents who do not test, but who deal with workplace drug abuse through education, supervisory training, and employee assistance programs has increased from 12 percent in 1987 to a current 24 percent. These firms follow the letter of the Drug-Free Workplace Act, which does not mandate testing but does require government contractors to certify that theirs is a drug-free work environment.

Four survey respondents had testing programs at one time which they have since discontinued; 13 more have discontinued some programs while keeping others. In light of the ongoing increase in testing programs, this is by no means a trend. But the scarcity of companies that have studied the cost-effectiveness of testing programs, the availability of performance testing, and the legal challenges to current medical testing programs make it evident that the final book on workplace testing has not yet been written.

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About this Survey

AMA's sixth annual survey questionnaire on workplace testing was mailed on January 17, 1992, to 13,218 human resources managers. While more than 1,350 responses were received by March 1, we entered data from 1,200 respondent firms — 9.2% of all mailed — to form the database for the present study.

While not identical to the database in previous years, this self-selecting sample is sufficiently like those of earlier surveys to allow statistically valid year-to-year comparisons. The 1992 sample presents the following statistical profile:

SIC Classification

- Agriculture, Forestry, & Fishing 0.4%
- Mining & Mineral Extraction 0.8%
- Construction 1.0%
- Manufacturing 45.0%
- Transportation 2.2%
- Communications 2.6%
- Utilities 2.4%
- Wholesale Trade & Distribution 2.1%
- Retail Trade 3.7%
- Finance, Insurance, and Real Estate 7.6%
- Business & Professional Services 7.3%
- Other Services 21.0%
- Public Administration 1.3%
- Unclassified and Unclassifiable Establishments 1.9%

Annual Sales*

- Under $10 million 10.5%
- $10-$49 million 27.3%
- $50-$249 million 28.4%
- $250-$500 million 7.9%
- Over $500 million 15.8%
- Not Reported 10.1%

*or operating budget, for nonprofit organizations